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LEAST DEVELOPED COUNTRIES AND THE EUROPEAN UNION

More than half of the 630 million people living in the LDCs – Least Developed Countries – survive on less than one dollar a day. Despite worldwide commitment to fight poverty, the number of countries that are desperately poor is on the rise. During the past 30 years, the number of LDCs has doubled – from 25 to 49. In this edition of **World Chronicle,** John Richardson, Head of the European Commission Delegation to the United Nations, talks about the recently-held UN Conference on the Least Developed Countries, which was hosted by the European Union in Brussels.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues.

Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

The recent United Nations Conference on the Least Developed Countries, hosted by the European Union, was the third such meeting since 1981. Despite decades of global growth and development aid, the number of countries the United Nations calls "least developed" – those with per capita income of less than $900 a year – nearly doubled since 1971 from 25 to 49. Has this Conference made any difference to the lives of the 630 million people – the poorest of the poor – who live in Least Developed Nations?

Our guest today is the Head of the European Commission Delegation to the United Nations, John Richardson. Joining me to talk with Mr. Richardson are Afsane Bassir Pour of *Le Monde* and Jerome Hule of the *News Agency of Nigeria*.

Mr. Richardson, welcome to **World Chronicle.**

Just to repeat the question – has the Conference made any difference?

RICHARDSON: I think it has not made any difference to the lives of the poorest people in the world today but the question really is: will it make a difference? And there, I think, the answer must be that we certainly hope so on a much worse donor conference to make that a reality. I singled out three things I think in particular. First of all the attention of the whole United Nations system and all those who work within it was focused, for once after ten years if you will, on the Least Developed Countries. Focused on how to help 630 million of our fellow citizens. So that focus I think is important in itself and we can come back to why I think all sorts of work was done which is useful for these countries as background and because of that focus. Secondly, I would say that another thing the conference did was to crystallize out, what I would call a convergence among the Least Developed Countries, among the donor countries, among the organizations working on poverty in these countries, a convergence on where we go from here, how we go about dealing with poverty in the Least Developed Countries. And thirdly, I would point out simply that this was the first conference of the United Nations, which have ever been sponsored by and organized by the European Union and I think that reflects the increasing role which the European Union is playing in the UN system on behalf of the global community and not just Least Developed Countries.

LITTLEJOHNS: Ambassador, you guys have been talking about a partnership with the LDCs. Evidently, this is going to be a very unequal partnership. How is it going to work?

RICHARDSON: Partnership is always a difficult concept, particularly when you are dealing with not so much unequal but quite different partners and certainly what I would call asymmetrical relationship. Poor countries have a certain set of assets. Rich countries, donor countries, have a different set of assets. They have different starting points – psychologically, socially and politically – so it's difficult sometimes to talk to each other. But what is quite clear, that unless that dialogue takes place, then we will not make progress. Most of the important point about the convergence of views which emerged from this Conference was the acceptance by the Least Developed Countries that they can only develop in partnership with them with the help of the international organizations of the donor countries and the acceptance by donor countries and by the international organizations that they must give developing countries – the least developed – a sense of ownership in the programmes which have been put in place. Ownership in the sense of that they believe in them, that they want them and that they sign off on them before anything actually happens. It has to be a genuine partnership. It's difficult but it's the only way forward.

BASSIR POUR: Ambassador, since the very first conference n 1981 or a few years before that, the number of Least Developed Countries, as Michael just pointed out, have doubled. Now how was that?

RICHARDSON: I think there are two reasons for that -- one statistical and unimportant, the other of a great importance. The all-important reason is that there are a lot more countries in the world now and some of them who have been newly created in the period happen to be least developed. I don't that's very important. What is important is that the number of people living in absolute poverty on this planet has greatly increased. That has something to do with the increase of world population over the last thirty years, obviously, but also with the fact that we have been unable to close the gap between the living standards of the richest and the living standards of the poorest – that we have not been able to do. And that is why this Conference was needed to take a good hard look at why that was happening to see if we can find a better way of doing it in the future.

BASSIR POUR: Now, if I may just go back to your first point that you made about the number of countries, a lot of these new countries that have been created were created because

there was ethnic war in the greater country and to stop the war, they became independent countries. Now, would you say that we should stop this trend? That this would make for more poor countries? How can you reconcile the two factors?

RICHARDSON: You can reconcile them because the important point is not how many countries there are in the least developed categories, how many citizens there are, it's the fact that there are 630 million citizens at this level of poverty. That's the important factor. They remain the same citizens whether they're part of a larger country or a smaller country.

BASSIR POUR: They could become poorer if they became part of a new country, couldn't they?

RICHARDSON: No, I don't see that. I see no particular relationship between the two there. The important thing is the number of people, I think, rather than the number of states within which they live as citizens.

HULE: Yes, so what role do you expect each of the parties – the poor countries and other world countries – were playing in the new partnership that came out of this conference and process?

RICHARDSON: The countries, which are also developed – the Least Developed Countries in this case, the poor countries – one way they contribute to their own development and they are the ones who must develop this must be an indigenous process. They can contribute to this by good governance, for example, by having the type of government, the type of political arrangements, by being democratic for a start, by removing possibilities for corruption, by respecting human rights which makes for more equitable society within which economic development can take place. So you have a good government side on the part of developing countries but at the same time, the international organizations who run the development projects must work better together. For example, the European Community has just placed itself to working more closely with the UN Development Programmes in order that the – well, you have two separate programmes before they can intermesh and be coordinated in the future. So you need coordination among the eight programmes. And lastly of course, you need action by the rich donor countries. You need action on the least two different types. One, you need action with respect to the aid they give, the development aid they give to developing countries and I think one of the disappointments of this conference was that the – while the donor countries renewed their pledges to increase overseas official development aid – we know

that that has been declining in the past and we have to see to what extent that can be changed in the future but there have been no concrete promises made at this conference which can change that direction so we have to see how that goes. We can come back to why that is and I think it's rather an interesting point why the rich countries are not, in fact, increasing their ODA levels and I think that's an interesting point. But finally I think there are other things which rich countries can do and in particular, they can help developing countries by opening up their markets. One of the most important, I think, areas in which this conference is taking us forward comes partly as a result of the leadership from the European Union. We put out in February a suggestion for a programme to completely liberalize trade into the European Union from Least Developed Countries for all products that they produce except arms. That has been accepted. That has been endorsed by our Council of Ministers and other leading countries in the conference of the donor countries have pledged themselves to producing similar programmes in the future. That's important. And there are other elements added to help Least Developed Countries to profit from these export opportunities. For example, the European Union is supporting the framework to help the officials who work for Least Developed Countries to use the WTO rules to their advantage and not just to the advantage of others. So there are lots of ways in which we can help and some of those were set out in the conference.

HULE: The fact is that this list of countries whose major weakness is the lack of capacity ...

RICHARDSON: That's right.

HULE: ... you made an infusion of an enormous amount of resources to increase that capacity. But if we don't deal with the problem of inflow of resources from outside then how do you make progress especially since this conference didn't deal with that particular problem concretely?

RICHARDSON: Well, development is not just a question of money. Development, it seems to me, is really a question of the citizens of a country being able themselves to produce goods and services which would bring them a higher income. So what we do need, as you said, is to increase the economic capacity of those working in the country to do that. And part of that is money. Part of that is money for investment in infrastructure and education, and so on. But another part is the transfer of resources in terms of know-how of expertise and that's where these training programmes come in so that the administrative infrastructure, for example,

can be created within the Least Developed County to allow to participate fully in all the opportunities which there are in the world in the way that other developing countries who are more developed are able to do. So we need to increase that element of their capacity as well a their financial resources.

LITTLEJOHNS: Ambassador, you spoke about the liberalization policies on the part o the donor countries, the recipient countries, the LDC's themselves have liberalized their policies. But it doesn't seem to have had a great effect. Why is that?

RICHARDSON: I don't think it's possible to single out any one element of what you might call the development mix here. One of the things which struck me most about the discussions at the conference which were quite unusual I think very interactive – there was a genuine discussion in the so-called thematic sessions of the conference – one of the things which struck me there is the consensus which seems to emerged among all those involved tha promoting development in these countries is very much a question of getting a whole series of elements and putting them together in a rather complex mosaic and you have to get at least most of them right if you can. So I think to answer your question, the reason why liberalizatio of imports in these countries has not acted as a panacea, as a silver bullet, is because there are lots of other things you need at the same time when they weren't all in place and that seems to be the consensus among the development experts.

BASSIR POUR: Many of the poorest countries, a great majority are in Africa. But when you look down the list, there are some of these countries that are indeed rich. They're not that poor, but they're rich such as Angola, with its diamonds and other minerals. You have the Sudan, with oil, I saw a number of them. But they're living in abject poverty because of war – a long, drawn-out civil wars. Was this treated at the Conference?

RICHARDSON: Yes. One of the elements which was identified as having to be in place in Least Developed Countries before they can start developing is peace and hence, conflict prevention is one of the elements of the strategy. Without that, of course, no development is possible. I think in the case by the way of a country which has diamond riche the problem with diamonds, of course, is you can't eat them. Diamonds can be exported for money but they don't actually provide jobs and a way of life, and food and shelter for the population.

LITTLEJOHNS: You can buy a lot of food and shelter with them.

RICHARDSON: That's right. You can get money for them, that's right. But they don't actually provide development in the full sense of the word of jobs which bring income for families and communities.

BASSIR POUR: So then, was anything decided on peace? How could the conference contribute to bringing peace to these countries?

RICHARDSON: It wasn't supposed to. It comes from simply identify conflict prevention as one of the elements of the package which needs to be in place in order for development to progress. And you know that a large part of what the UN deals with on an on-going basis in the Security Council, for example, is about conflict prevention and there are teams going backwards and forwards to West Africa and have been for some time who are engaged precisely in this UN activity of conflict prevention. I think you have to see these conferences having confirmed the importance of a whole series of different activities taking place in different parts of the world multilateral system – from conflict prevention through trade liberalization, through the activities of the financial institutions, etc., etc. All these things need to be in place.

LITTLEJOHNS: This is **World Chronicle**. Our guest is the head of the European Commission Delegation to the United Nations, John Richardson. Jerome?

HULE: Yes. I think last month, the World bank came out with a study that so many countries especially the Least Developed Countries are lagging in this march towards the international goal of halving poverty by 2015 unless a major change is brought in especially in the inflow of resources to these countries. Most of these countries cannot attend those course. Do you think this particular conference address this problem? Because I want to target it really are we heading towards, are we hopeful about getting to that halving poverty by 2015?

RICHARDSON: I think it's not just a question of hope here. It's a question of the world having set itself a series of objectives. The question then becomes, are we taking them seriously. I must say that my impression in attending this conference was that these problems are being taken very seriously indeed. And indeed the representatives of Least Developed Countries at the conference led by the Minister from Bangladesh did in fact say this at the end, that they have been impressed by the level and the cooperative nature of the dialogue which took place between Least Developed Countries and the others. So the problems are being addressed seriously and that is the first step on what is going to be a long road towards attaining

that goal of the halving of poverty by the year 2015. It's not going to be done within a few months. It's going to take us that time. That's why 2015 is so long away. But we will have to see, we'll have to make sure that each milestone is passed. That's the reason why the moment in the UN the organization is working at what they call a road map to plan the steps necessary to reach that goal and to be able to review the milestones as they pass year by year. And I think one of the most interesting elements of this conference, which has gone rather unnoticed, is that it was not decided that the world would not forget about Least Developed Countries and come back at another conference in ten years' time. That was not decided. What was decided was that the results for Least Developed Countries would be reviewed every year as part of an on-going process within the Economic and Social Council of United Nations. So these countries will not be forgotten for the next ten years and I think that is very important too, and we have to make sure that the efforts, which were clearly there in Brussels, continue on an on-going basis from now on and are not allowed to drop in difficulty.

LITTLEJOHNS: Ambassador, on the way to the Studio, I met Joseph Chamie, the noted UN demographer and he remarked that the LDC's have the fastest growing population growth rates in the world and he sai i ask you what you're doing about that? So, what are you doing about it?

RICHARDSON: Well, there are various population programmes in place, as you know and this will be on-going. There is obviously a tension here between the wishes of the population in Least Developed Countries to reproduce, to have children, to have families and the statistical result which says that if there are too many children in poverty, then the situation just gets worse. It's one of the great dilemmas of development. I think it always has been and will remain so. It's very much I think up to the countries concerned to take their own decisions on this sort of subject and indeed for the individuals concerned.

LITTLEJOHNS: Are the EU members promoting family planning in these countries?

RICHARDSON: Yes, we do that, yes.

LITTLEJOHNS: You have ...

RICHARDSON: We have programmes in place, yes.

BASSIR POUR: The bona fide tangible development since the last conference in 1990 that great participation of the civil society – private sector and Non-Governmental Organizations – how has that changed – the landscape?

RICHARDSON: Well, that has changed the landscape, I think, in two ways. One is that the involvement of civil society in the rich countries has strengthened the willingness and the political will in rich countries to put even more effort into development policies. So it's a very important part of building a political constituency in the rich countries to engage with the rest of the world. I think civil society is also important within developing countries because we believe that the existence of a vibrant civil society is one way in which a society can make itself better able to develop in countries where the liberty of expression for civil society is reduced, you'll find that development can less easy take place. So graying civil society is a positive element in this mix of policies and elements which can promote development. So there's two roles ...

BASSIR POUR: What about the private sector? Because you mentioned or I read in one of the reports that in fact one of the problems is that these poor countries don't have – they only have maybe, they export one thing – just coffee or diamonds as we were saying. Can the private sector help them make more industries or make more output. Is that one role that the private sector can play?

RICHARDSON: Yes. Over the years, the amount of money going into developing countries from the private sector has increased compared with the amount of money going in from the public sectors, so foreign direct investment, as we call it from private sources, is now much more important. And one of the questions, therefore, is how can we create a climate in the Least Developed Countries which attracts foreign investment, which of course is out to make money? And part of that climate is the good governance I talked about in general, but it's also putting in place, for example, local financial institutions and local financial regulation which provide the climate in which foreign investors can make money. So that's one side of it. But there's, perhaps, something else which I should raise at this point, which was identified in the Conference as absolutely essential to development in these countries and that is the health sector. We all know that many of these Least Developed Countries are afflicted by some of the world's worst diseases and we're talking here, I think, primarily of HIV/AIDS, of malaria, of tuberculosis and then there is something else emerging which is also being addressed by the UN system, is how we put together a public-private partnership to deal with the health situation in Least Developed Countries. And that comes partly by the developments of, for example, healthcare systems in the countries concerned. It comes partly from the increased resources

made available by the rich countries for health, for dealing with disease in the Least Developed Countries, but it comes also from the private sector. And there is this initiative by some of the big pharmaceutical companies to offer their drugs in the Least Developed Countries at cost price, way below the full price which they're charging the rich countries. We're very much in favor of that and the European Community has now doctored an approach which is suggesting here which is the so-called tier pricing whereby the price varies according to the ability to pay of the country concerned and that we introduced worldwide as a basic principle. It's an idea which came from the private sector which now has the government push behind it and that's part of the role which the private sector can also play in these countries.

HULE: I want to go back to the policy of the European Union on the market access of exports from these Least Developed Countries. There are problems also apart from the duties and the quotas, there's another form of subsidies the kind of commodities that these countries are subsidies that say to amount to about 200 billion a year. Is there any attention being given to some of those that undermine the competitiveness of the products from these countries?

RICHARDSON: Two things – first of all, our proposal which has not been accepted and which will now be implemented in the European Union is to eliminate tariffs and quotas on all imports from Least Developed Countries including agricultural products. There are three exceptions with respect to the immediate opening of our markets and those exceptions are rice, bananas and sugar and there will be a transitional period for those. I think it's six years. But at least a decision has been taken for six years' time. We are not perfect on that. That was the best which could be done in the internal political circumstances. That's the first thing. But secondly, and you're quite right, there are a series of products – grain products for example where production in Europe overall is higher because we support production in Europe. That problem has been addressed in the past in the World Trade Organization. The last round of trade negotiations a year ago around and it's currently being addressed in the new round of agricultural trade negotiations in Geneva. And we, in the European Union are very much aware that our system of having high local prices above world prices, must be changed and we must be moving towards a world price level to eliminate this difference. And we're doing that. We've gone a very long way in that direction and it's quite clear that we must continue further in that direction and we'll do so. So that problem is being dealt with as well. Unfortunately,

like so many problems in the world, we cannot deal with it immediately and it's taking time, but we are going in the right direction.

LITTLEJOHNS: Ambassador, we have only a few minutes left but tourism has been a money-spinner for some countries. Any possibility that tourism might help in the LDC's?

RICHARDSON: Yes, I think this is part of the mix. It's particularly true, I think, in countries with natural resources which tourists want to take advantage of. So that's true of island countries. It's also true of countries in Africa, for example, who have game reserves. And I think the name of the game there is to ensure that these resources are maintained and this is one element of sustainable development which we regard as very important. That these countries are helped to maintain the resources which attract the tourists and not ruin them for over-exploitation.

LITTLEJOHNS: Ambassador Richardson, that's all the time we have. Thank you for being with us on this edition of **World Chronicle**.

Our guest has been the Head of the European Commission Delegation to the United Nations, John Richardson. He was interviewed by Afsane Bassir Pour of *Le Monde* and Jerome Hule of the News Agency of Nigeria.

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.

ANNOUNCER: Transcripts of the programme may be obtained free of charge by sending a stamped, self-addressed envelope to **World Chronicle**, United Nations, Room S-827, New York, N.Y., 10017.

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